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Message Text

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62
ORIGIN PM-07

INFO OCT-01 EUR-25 ISO-00 SSO-00 CCO-00 NSCE-00 INRE-00

CIAE-00 INR-10 NSAE-00 RSC-01 SS-20 NSC-07 NEA-14 L-03

TRSE-00 IGA-02 AID-20 EB-11 MC-02 OMB-01 /124 R

DRAFTED BY PM/SAS-DNIEMI:DD
APPROVED BY PM-GSVEST
PM/SAS - MR. LADD
PM/SAS - MR. JAMES
PM - MR. STERN
EUR/RPM - MR. REHFELD
EUR/SE - MR. CHURCHILL
DOD/DSAA - MR. MACDONALD
TREASURY - MR. NENSEL (PHONE)
---------- 117668
Z R 112307Z JUV 74 ZFF4
FM SECSTATE WASHDC
TO AMEMBASSY ATHENS FLASH
INFO SECDEF
USCINCEUR

C O N F I D E N T I A L STATE 123801

E.O. 11652: GDS
TAGS: MASS, GR
SUBJECT: FY 1974 FMS CREDIT ASSISTANCE FOR GREECE

1. INTERAGENCY AGREEMENT HAS BEEN REACHED TO OFFER A USG GUARANTY FOR AN ADDITIONAL $10 MILLION IN FY 74 FOREIGN MILITARY SALES CREDIT FOR GREECE. THIS WILL BRING THE LEVEL OF FY 74 FMS CREDIT ASSISTANCE FOR GREECE TO $60 MILLION.

2. THE GUARANTY IS BEING OFFERED SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:

A. PURPOSE - CREDIT TO BE APPLIED TOWARD COMPLETION OF
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F-4 FINANCING.

B. PRIVATE CREDIT - GOG IS EXPECTED TO USE ITS OWN LENDING RESOURCES TO OBTAIN PRIVATE LOAN. (FYI - IT IS TOO LATE IN THE FISCAL YEAR TO USE US TREASURY AUCTION PROCEDURE. END FYI.) IN ORDER TO QUALIFY FOR USG GUARANTY UNDER SECTION 24 OF FMS ACT, THE PRIVATE CREDIT MUST BE EXTENDED BY INSTITUTION(S) DOING BUSINESS IN THE UNITED STATES. INTEREST RATE, TERM OF LOAN (NOT TO EXCEED 10 YEARS), DISBURSEMENT PERIOD, AND REPAYMENT SCHEDULE TO BE NEGOTIATED BETWEEN GOG AND LENDER, SUBJECT TO USG CONCURRENCE. USG POLICY AT THIS TIME, IT SHOULD BE NOTED, IS TO PROVIDE FMS GUARANTY ONLY FOR LOANS AT FIXED INTEREST RATES; GUARANTY WILL NOT BE PROVIDED FOR LOAN AT FLOATING RATE.

C. FEES - GUARANTY FEE TO BE ONE-FOURTH OF ONE PERCENT OF PRINCIPAL AMOUNT. COMMITMENT FEE TO BE AGREED BETWEEN LENDER(S) AND GOG. BOTH COMMITMENT AND GUARANTY FEES TO BE PAID BY GOG FROM ITS OWN RESOURCES.

3. ACTION REQUESTED: THE EMBASSY IS REQUESTED TO PRESENT THIS FMS OFFER TO GOG AND TO INVITE ITS RESPONSE. SINCE DOD NEGOTIATORS VIOLETTE AND BETTELEY ARE CURRENTLY IN ATHENS, YOU MAY WISH TO REQUEST THEM TO PRESENT THE OFFER TO GOG IN THE COURSE OF THEIR NEGOTIATIONS. BROWN

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NNN

*** Current Handling Restrictions *** n/a
*** Current Classification *** CONFIDENTIAL

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Message Attributes

Automatic Decaptioning: X
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Draft Date: 11 JUN 1974
Decaption Date: 01 JAN 1960
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Disposition Approved on Date:
Disposition Authority: izenbei0
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
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Disposition Reason:
Disposition Remarks:
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Review Event:
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TAGS: MASS, GR, US
To: ATHENS
Type: TE
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